

**HARRY SEAGRAVES
7490 E. Dreyfus Avenue
Scottsdale, AZ 85260**

FILED
DEC 29 AM 11:21

December 10, 1997

Clerk of the Court
United States Bankruptcy Court
2929 North Central Avenue
Ninth Floor
Phoenix, AZ 85067-4151

In re:

CHARLES THOMAS BROWN d/b/a TOM BEOWN PREFFERED
TRUST COMPANY. No. 97-14228 PIIX GBN

Adversary Proceeding No.: 99-00746

This letter is in response to "SUMMONS IN AN ADVERSARY
PROCEEDING" and this is my motion or answer to the complaint.

To Whom It May Concern:

In reply to the summons - the figures presented by the Law firm of Ryley
Carlock & Applewhite are not accurate. My original investment in 1992
was \$6000, not \$3000 as they have represented (they have copy of note).
That changes the amounts they are asking for as a "settlement"- see
attached.

They are asking for a settlement. This is beyond all comprehension. This
was an investment in good faith. I used my hard saved money to invest in
something that was presented to me by Ron Linder, a friend of a friend. It
was presented as high risk (lending money to troubled businesses on
inventory) but I would realize a high return on interest. I never met Tom
Brown or talked to him. I sent my check for \$6,000 and received a
Promissory Note. I then invested another \$3000 after I received a roll over
Note on the original \$6,000. I invested a total of \$9,000. I would receive a
new note every six months and the interest was pilling up.

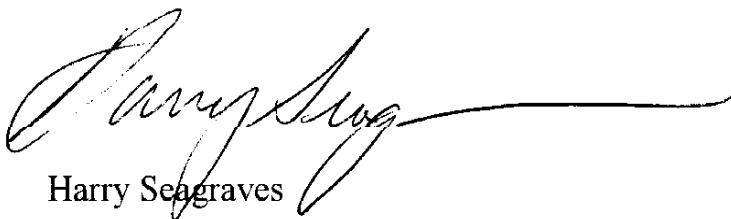
In mid 1997 my wife persuaded me to cash in these two notes, as we needed a new car. I then sent a FAX to Preferred Trust (Tom Brown) requesting my money. About a month went by before I received the money on my first note (\$6,000) which was for \$11,341. That note was due 6/30/97. The other (\$3,000) was not due until 9/30/97, but I had requested without the six months of interest so could receive all the funds on the two notes. I invested a total of \$9,000 and received \$11,341 for a five-year period. Not all that good rate of return.

When I requested the money, I had no idea of Tom Brown being investigated by the Attorney General's office. When they contacted me I was very cooperative and helped them with their investigation. I then thought "Oh boy, now I won't get the funds due on the second note", which I never did receive. Please understand that at no time was I aware of any wrong doing by Preferred Trust/Tom Brown. I honestly thought I was in a legitimate but risky investment.

Please review this response and the revised figures. I do not have any money for an attorney. So this is the best I can do. If a settlement is unjustly needed please understand I only have a very small retirement fund to deal with and that would present costly penalties.

Let me ask you something, did the investors in the Lincoln Savings/Charlie Keeting fiasco have to go through this? Is this right?

Sincerely,

A handwritten signature in cursive script, appearing to read "Harry Seagraves", followed by a long horizontal flourish line.

CC: Riley Carlock & Applewhite
The Honorable George B. Nielson, Jr.

Charles Thomas Brown Bankruptcy
Investor Transactions
Sorted by Date Posted

Date Posted	Trans. Date	Check #	Bank Acct #	Amount Disbursed During the Period:				Amount Deposited	Payee/Payor	Notes (Memo Line)
				On or After	From	Before				
				7/19/97	10/17/96	10/17/93				
Harry L. Seagraves										
2/22/92			8837	1st Original Investment \$6,000				3,000.00	SEAGRAVES, Harry L	7490 E Dreyfus AV, Scottsdale, AZ
3/30/93			8837	2nd Investment \$3,000				3,000.00	SEAGRAVES, Harry L	
8/11/97	8/4/97	5241	2725-8837		11,454.00				SEAGRAVES, HARRY L III	#9245
Number of Transactions: 3					\$11,454.00			\$6,000.00	Settlement Amount:	\$8,018

TOTAL INVESTMENT \$ 9,000
TOTAL RECEIVED 11,341
DIF 2,341 NOT 8,018

Note:
Transaction Date is not entered for every transaction.